

## **BILL/ RESOLUTION REQUEST**

**1. Title:** Approves a 7th Amendment to agreement with Ayala's Inc. d/b/a Seattle's Best Coffee to allow concessionaire to participate in the Alternative Surety Program. AC35040

**2. Requesting Agency:** DIA

**3. Contact Person *with actual knowledge of proposed ordinance***

**Name:** Steve Campbell

**Phone:** 303-342-2154

**Email:** Steve.Campbell@flydenver.com

**4. Contact Person *with actual knowledge of proposed ordinance who will present the item at Mayor Council and who will be available for first and second reading, if necessary***

**Name:** John Ackerman

**Phone:** 303-342-2568

**Email:** John.Ackerman@flydenver.com

**5. Describe the proposed ordinance, including what the proposed ordinance is intended to accomplish, who's involved**

**a. Scope of Work**

Seventh Amendment to Agreement amends Section 8.03 – Performance Bond – of the Original Agreement by adding Alternative Surety language that would allow concessionaire to participate in a temporary Alternative Surety program approved by the Manager of Aviation. Concessionaire would pay a “Base Fee” of 2% of its compensation paid to the City in the prior calendar year as a surety in place of six months' worth of MAG and obtaining a bond through a bonding company. At the end of the Alternate Surety Term (after one full year), the surety requirements of Section 8.03 automatically apply for the remainder of the term of the concession Agreement unless the Alternative Surety is extended by the Manager.

**b. Duration**

Month-to-month tenancy until PVCP benefits are awarded or an RFP is issued.

**c. Location**

DIA – Concourse B West Outboard Subcore

**d. Affected Council District**

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**e. Benefits**

Allows concessionaire to participate in the airport's Alternative Surety program by providing a performance surety at less cost and without having to pay the higher costs of obtaining a bond through a bonding company.

**f. Costs**

**Alternate Surety = 2% of previous year's compensation paid to City. Additional Fee may apply of up to ½% of the annual rent due in the prior calendar year for every late payment. The Base Fee will never be less than 2%, and Manager may adjust the Base Fee, in her sole discretion, considering various risk factors to the airport.**

**6. Is there any controversy surrounding this ordinance, groups or individuals who may have concerns about it? Please explain.**

**No**

**Bill Request Number: BR12-0854**

**Date: 11/6/2012**